



Investor Presentation

Nasdaq: SNCR

November 2022

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In addition to US GAAP financials, this presentation includes certain non-GAAP financial measures. These non-GAAP measures are in addition to, not a substitute for or superior to, measures of financial performance prepared in accordance with US GAAP. A reconciliation of historical non-GAAP measures to historical GAAP measures is contained in the Appendix. All non-GAAP measures are derived from numbers prepared in accordance with GAAP.

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Synchronoss Leadership



Jeffrey Miller
President, CEO & Director

PRIOR AFFILIATIONS



IDEAL INDUSTRIES, INC.



Jeff Miller serves as President and Chief Executive Officer (CEO) and as a member of the Company’s Board of Directors.

Jeff previously served as President for IDEAL Industries Technology Group, focusing on designing and delivering solutions for smart commercial buildings and spaces. Jeff also serves on the Board of 1871, Chicago’s largest start-up incubator, and on the non-profit Boards of Aspire Chicago and Junior Achievement.

Before joining IDEAL Industries in 2017, Jeff completed a 16-year career with Motorola, most recently as Corporate Vice President and General Manager of Operations in North America for Motorola Mobility, LLC.

Jeff graduated with a B.S. degree from Miami University and later earned his MBA from The Ohio State University.



Lou Ferraro
Chief Financial Officer

PRIOR AFFILIATIONS



Lou Ferraro serves as Chief Financial Officer (CFO) at Synchronoss. Previously Lou served as the company’s EVP of Financial Operations and CHRO.

Prior to joining Synchronoss, Lou worked as a business consultant for the Populus Group supporting Comcast Corporation. From 2014 to 2016, Lou was the COO/CFO of BrandYourself.com Inc. where he led the finance and operations team during a period of intense growth. From 2010 to 2014, Lou served as CFO of AWI/iMobile as well as CEO for the Magicpins.com business unit. From 2008 to 2010, Lou served as CFO of Vitaltrax.com.

From 2004 to 2008, Lou was an SVP for IDT where he founded TuYo Mobile, a wireless MVNO. From 1991 to 2004, Lou worked for AT&T Mobility. Prior to that, he held various finance and operations positions at Verizon Wireless.

Lou graduated with a B.S. degree from Montclair State University and earned his CPA in NJ.

What we do

Synchronoss delivers software platforms that drive revenue growth and consumer engagement for global network operators and service providers.



Synchronoss Overview



SNCR

Headquarters

Bridgewater, NJ
~1,350 employees
~150 worldwide patents

Customers

150 network operators
and service providers

CLOUD

65% of revenue



White-label & SDK

**THE WORLD'S LARGEST
WHITE-LABEL CLOUD**

verizon



TRACFONE



MESSAGING

18% of revenue



Advanced Messaging & Email

**TWO NATIONAL
RCS MARKETS**

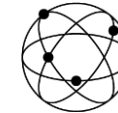
SoftBank



verizon

DIGITAL

17% of revenue



NetworkX

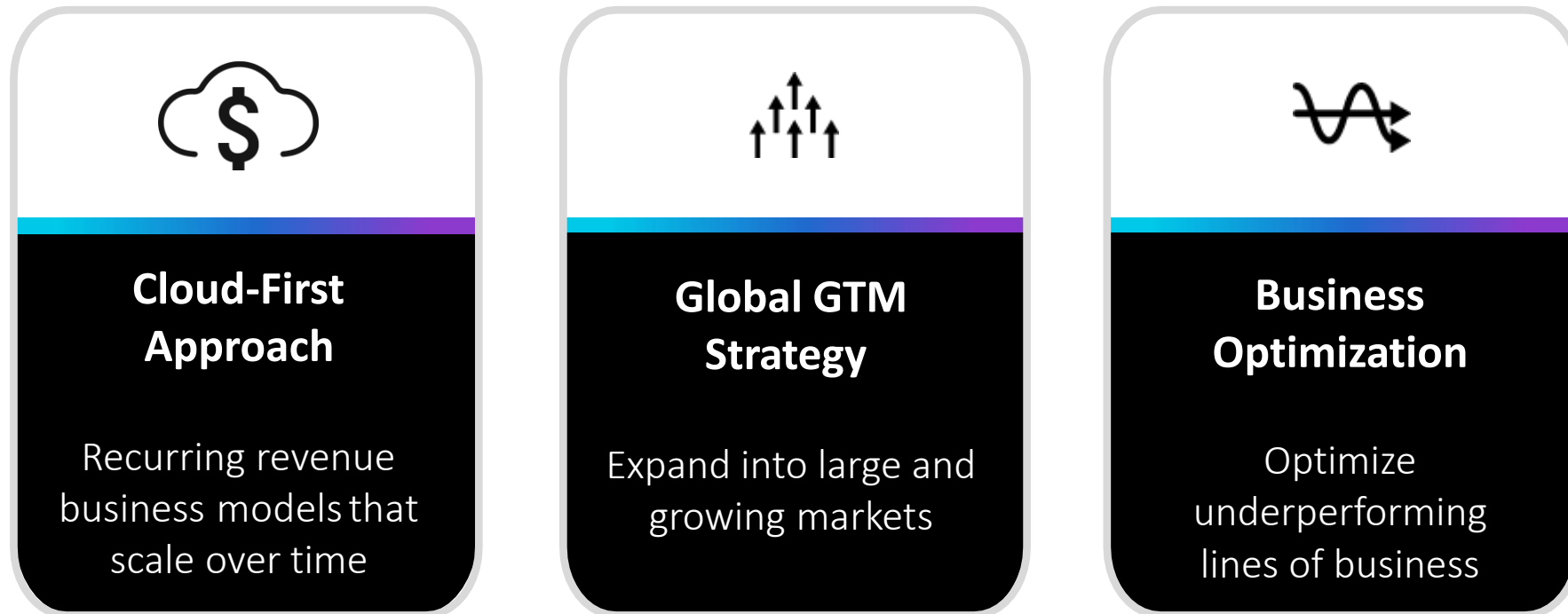
**TRUSTED LINK TO
ENTERPRISES, CONSUMERS**



Globe




Our Corporate Strategy is Fueling Long-Term Growth For Synchronoss



With a platform centric approach, our strategy is driving Customer revenue growth, increasing their value proposition, reducing costs and providing essential services.

5G Will Drive New Opportunities for Synchronoss Services

5G is revolutionizing subscriber apps and will enable new use-cases for our global carrier partners and their subscribers



HOME

5G Home Plus

Unleash the power of 5G Ultra Wideband, with our best perks yet.

\$35 /mo w/ Auto Pay and select 5G mobile plans. ①
\$70 /mo with Auto Pay.
\$80 /mo without Auto Pay.

[Check availability](#)

+ Backup your digital world with Verizon Cloud Unlimited, On us

Our best plan ever

5G Get More

Fully loaded, plus music.

\$90 /line per month
Plus taxes & fees.
\$100 without Auto Pay and paper-free billing.

Unlimited 5G Ultra Wideband

5G Ultra Wideband ▾

Our fastest 5G network experience, 10X faster than 4G

Unlimited premium network access ▾




50 GB premium mobile hotspot data, then unlimited lower-speed data ▾



Home internet savings


Verizon Home Internet for only \$25/mo. ▾


Plan perks


Everything on us
Up to a \$4098/mo value


   ▾

 or  ▾


 ▾

 Up to 50% off a watch, tablet, hotspot or Hum plan ▾

 1 TravelPass day per month ▾

 Verizon Cloud 600 GB ▾

[Select](#)




CLOUD

More powerful 5G enabled mobile devices driving ever increasing need for cloud storage

85% OF CONTENT IS MOBILE

UNLIMITED CLOUD

- Mobile
- Home
- IoT



MESSAGING

RCS – messaging standard for 5G – allows for a richer messaging experience and better monetization opportunities for operators

1.7T A2P MESSAGES/YEAR

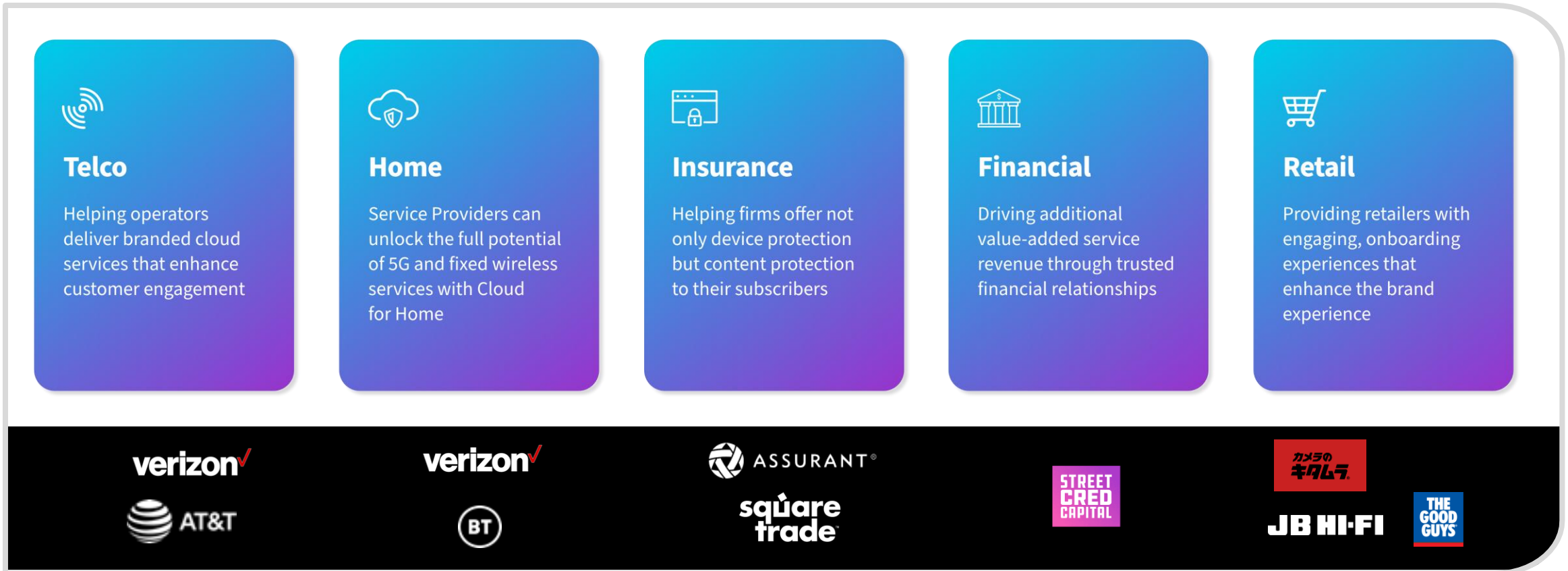
ENHANCED SMS

- Seamless Experiences
- Brands opportunity
- Operator revenue

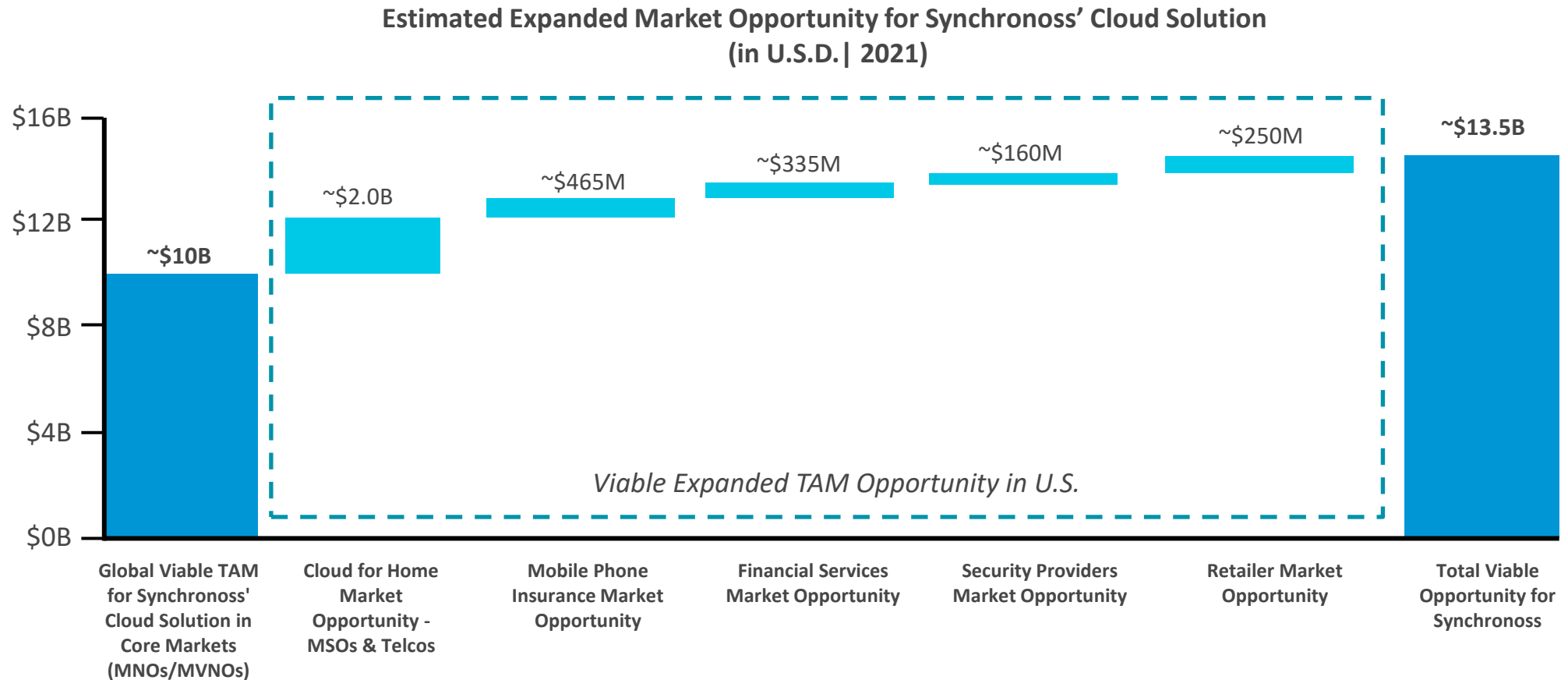
Data from: <https://www.verizon.com/>

A Critical Growth Window for White-Label Cloud

Synchronoss offers the world's leading white-label personal cloud platform providing network operators with a profitable revenue stream for their most valuable subscribers



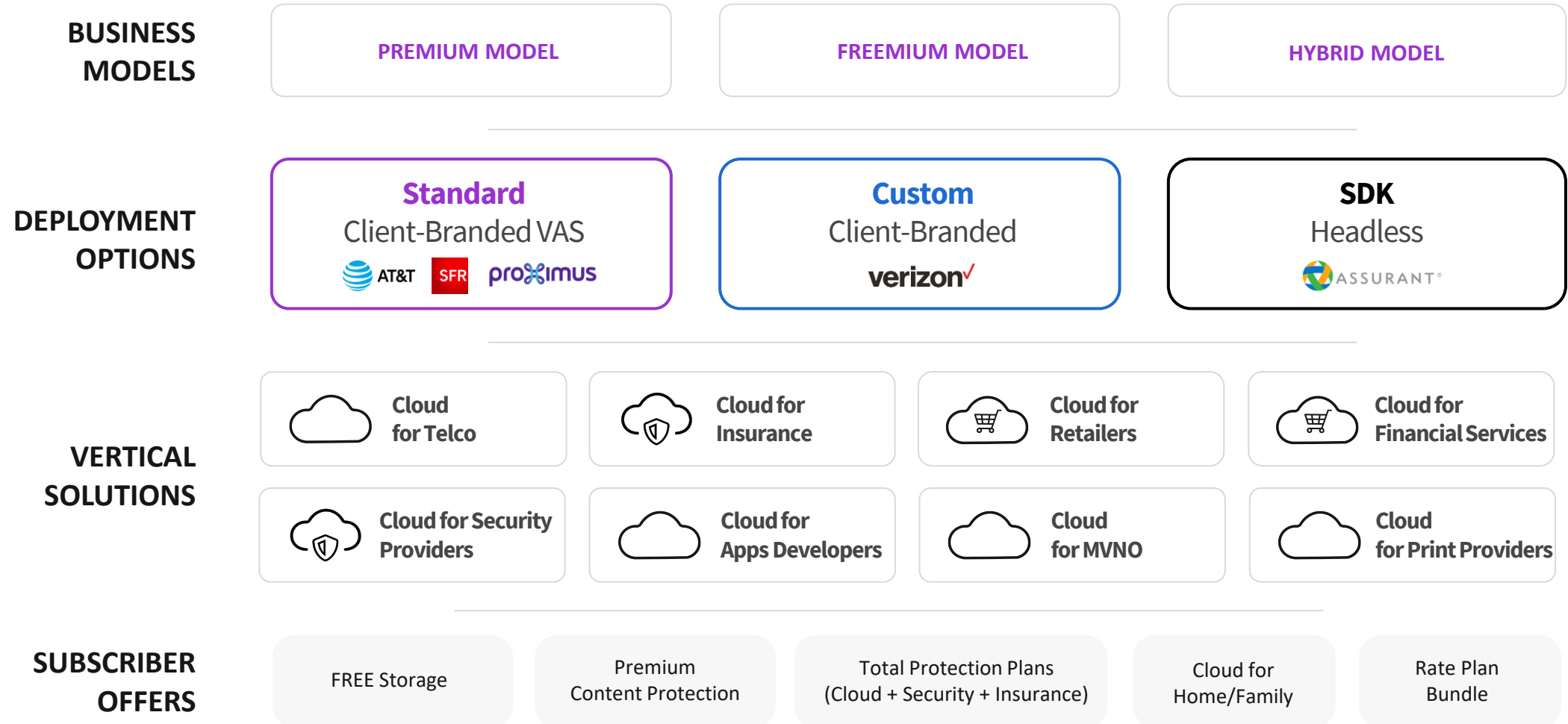
~\$3.5B opportunity exists for Synchronoss to further expand into other segments



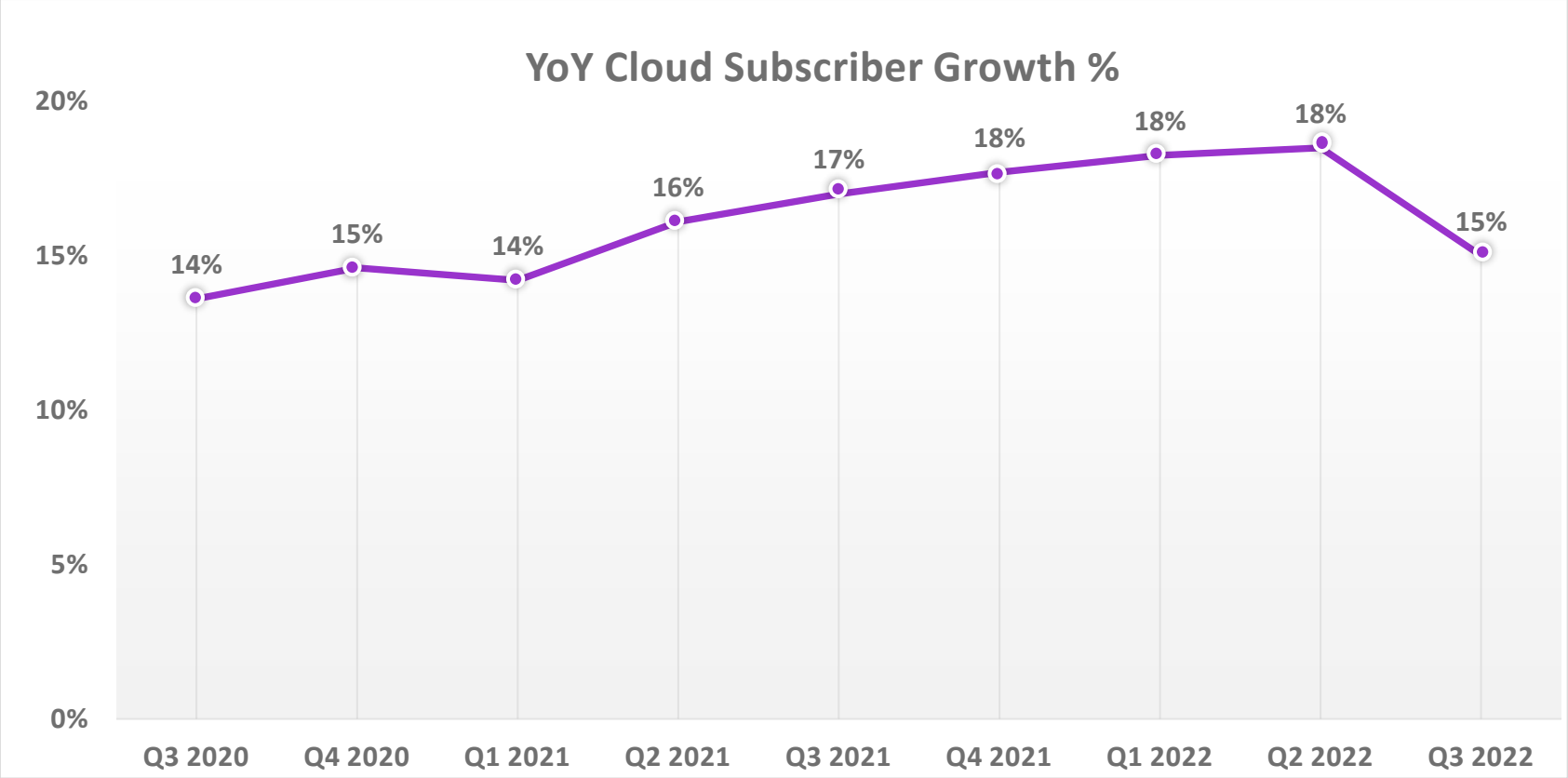
Source: Stax interviews, web survey, and analysis, May-June 2022; Synchronoss Internal Data; Wireless Provider 10Ks and Investor Publications; FED; Pew Research Center.

Note: Total market opportunity assumes maximum adoption, which was determined from Stax's web survey. Maximum adoption represents current adoption and subscribers that are interested in purchasing/using a cloud solution from each segment.

White-Label Cloud offers flexible GTM strategies



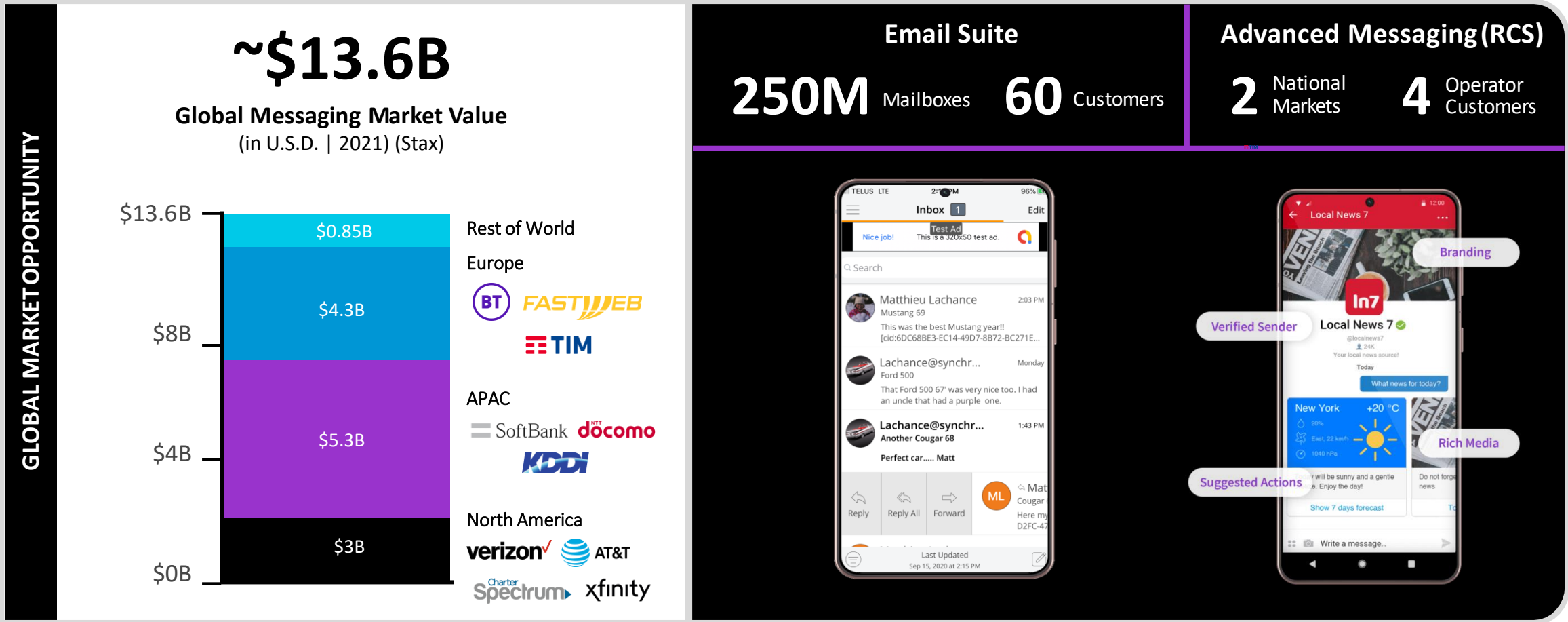
Sustaining Double-Digit Growth in Cloud Subscribers



- ▶ **Cloud Subscriber TAM** has grown **4x in 24 months**
- ▶ **Kitamura** launched in March, and **Telkomsigma** launched in August
- ▶ **Verizon** and **AT&T** subscribers providing consistent growth
- ▶ **Q3 2022** growth slowed moderately due to macro conditions

Synchronoss Messaging Platform

Our end-to-end platforms power the world’s leading white-label email and advanced messaging services



45%

of subscribers are interested in shifting to a **Rich Messaging experience** outside of OTT

Stax interviews, web survey, and analysis, May-June 2022, Appendix ##



All within your RCS Messaging App

Hi Customer, you're eligible for an upgrade.

VERIZON
It's Time to Upgrade

Get \$200 off a new smartphone.
Plus, additional promotions may apply.

Apple iPhone 13 Pro
Starts at \$0.00 /mo
[See details](#)
For 36 months, 0% APR
Retail price: \$429.99
Buy Now

Apple iPhone SE (3rd Gen)
Starts at \$0.00 /mo
[See details](#)
For 36 months, 0% APR
Retail price: \$429.99
Buy Now

Apple iPhone 13 Pro
Starts at \$0.00 /mo
[See details](#)
For 36 months, 0% APR
Retail price: \$429.99
Buy Now

VERIZON
Device Selection

Color & Storage

Silver

Gold

Sierra Blue

Alpine Green

Graphite

128GB

256GB

512GB

1TB

Next Step

VERIZON
Payment Terms

Payment options

\$999.99
Retail Price

\$27.77
36 monthly payments

[Questions about a device? Chat now!](#)

Next Step

VERIZON
Delivery

Pickup in Retail

Ship my Device

April 2022

M	T	W	T	F	S	S
12	13	14	15	16	17	18

Schedule Appointment

VERIZON
Prepare Your Device

Get your first 30 days on us.

Then \$19.99/mo for Unlimited, \$14.99/mo for 2 TB or \$5.99/mo for 600 GB storage after.

Select Data Classes to Backup

☒

Photos

☒

Videos

☒

Contacts

☒

Call Logs

☒

Messages**Backup Now**

VERIZON
Old Device Value

Cash-in on your old device

Estimated Value:
\$250.00

Trade-In Device

No Thanks

VERIZON
Checkout

Due Today

\$79.99

+

1

-

TAX: \$4.16

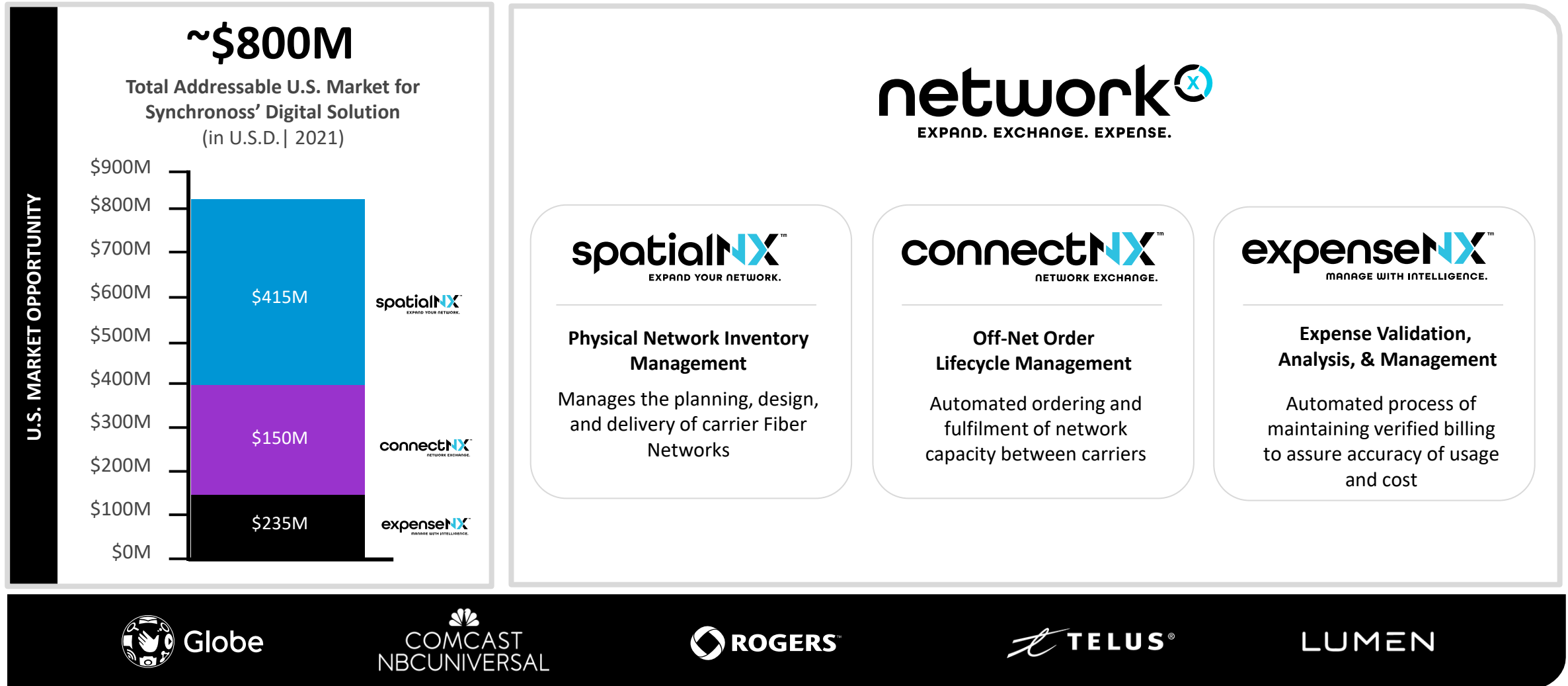
SHIPPING: FREE

TOTAL: \$79.99

Pay Now

Our NetworkX Portfolio (Formerly Digital)

Streamlines network planning, ordering and expense management



Financials



Synchronoss Overview

15% Cloud Subscriber growth
year-over-year

400MM+ Cloud TAM
carrier subscribers

84% Recurring Revenue
in Q3 2022

LT Contracts Majority of revenue in
long-term contracts

\$253MM - \$260MM⁽¹⁾
2022 revenue guidance

\$48MM - \$55MM⁽¹⁾
2022 Adj. EBITDA guidance

Q3 2022 Financial Results

\$(millions)	2021	2022	Change
GAAP Revenue	\$69.8	\$59.9	Down 14%
Gross Profit	\$42.5	\$37.5	Down 12%
Income (Loss) from Operations	\$(10.5)	\$1.3	Improved \$11.8
Net Income (Loss) Attributable to Synchronoss	\$(9.8)	\$(1.3)	Improved \$8.5
Free Cash Flow	\$(8.8)	\$(0.7)	Improved \$8.1
Adjusted EBITDA*	\$12.3	\$11.5	Down 6.8%

*please refer to the Appendix for the reconciliation of GAAP to non-GAAP financial measures

Consistent Cloud Performance

65%

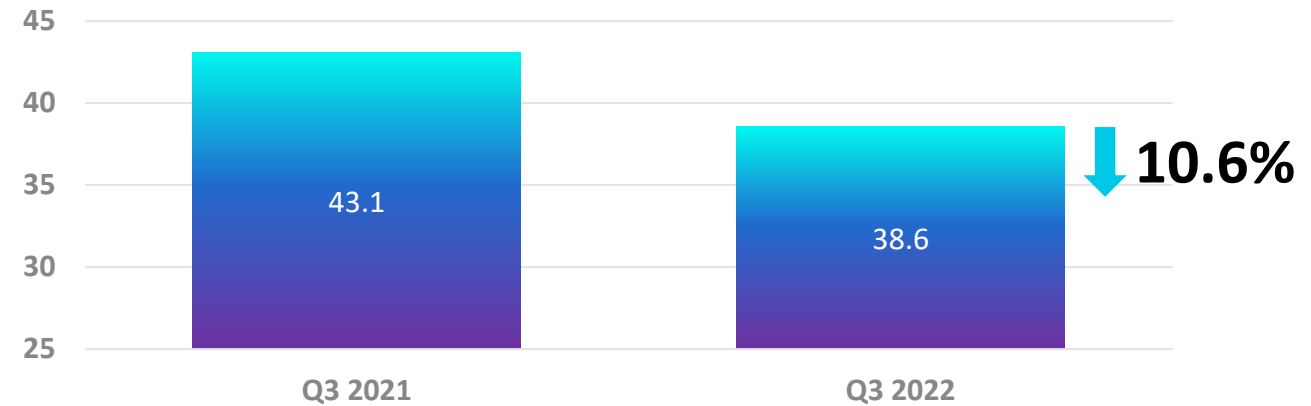
Cloud revenue
profile 2022 -
forward

10

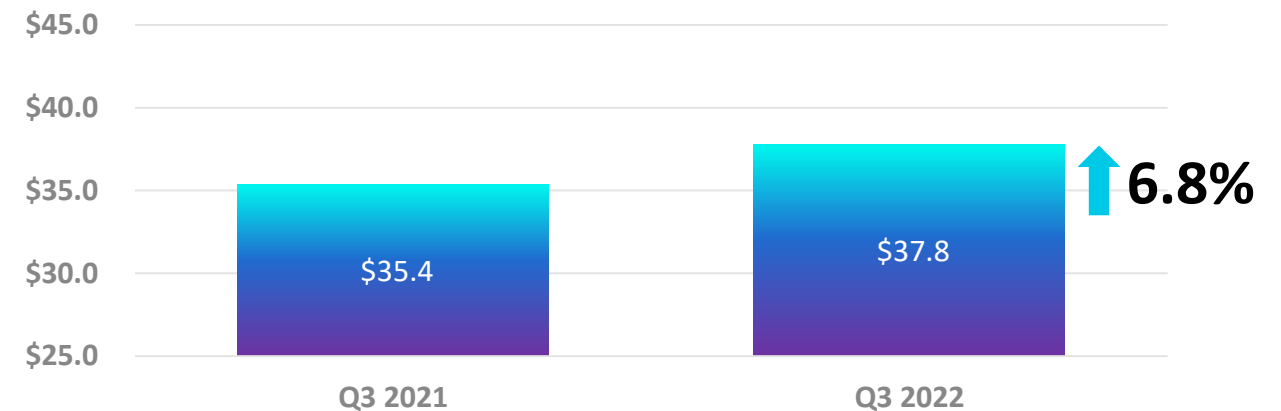
10 quarters of
double-digit Cloud
subscriber growth

- **Addressable subscriber base now more than 400 million+**
- **Seven new cloud customers signed in past 2+ years**
- **Five recent renewals of long-term cloud customers including: AT&T, BT, Proximus, SFR and Verizon**

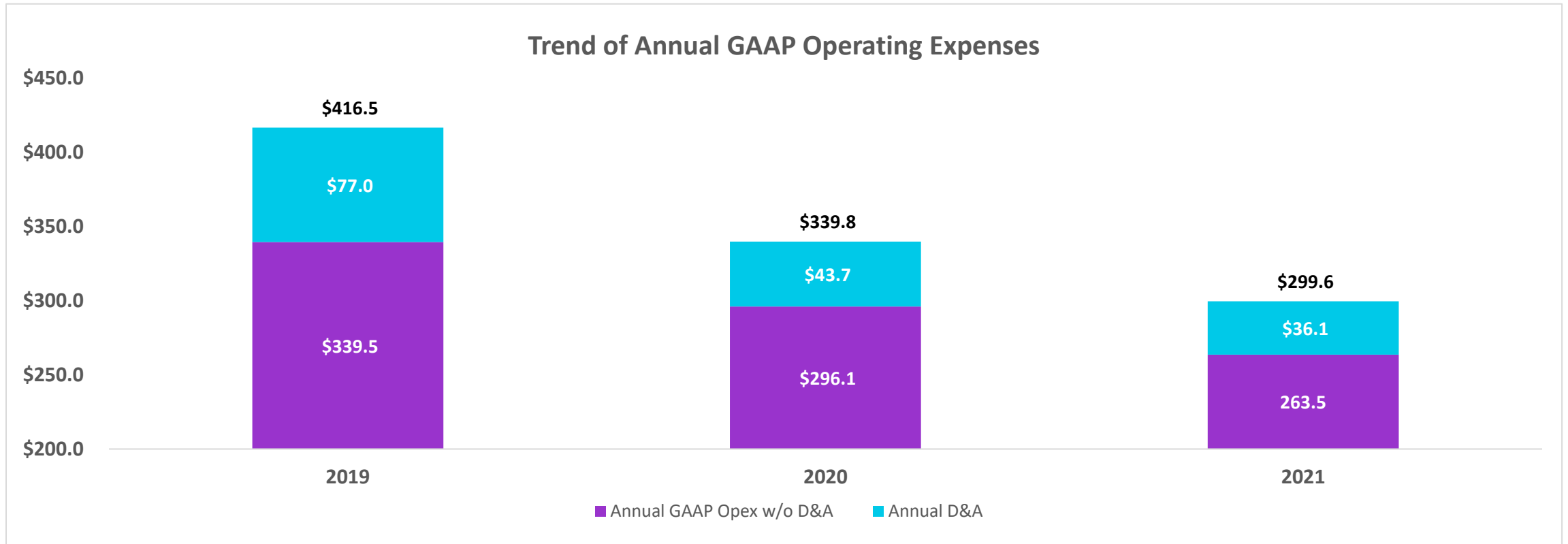
GAAP REVENUE



Trend of Invoiced Cloud Revenue



Delivering on Cost Cutting to Improve Earnings, Cash Flow Leverage and Focus



- Key driver for CoS decline is hosting transfer from physical data centers to 3rd party hosting
- Realized expense savings of ~\$40 million in 2021 and have driven \$19M savings YTD in 2022

2022E Financial Guidance⁽¹⁾

(\$MM)	Low	High	Management Commentary
Revenue	\$253.0	\$260.0	<ul style="list-style-type: none"> Reflecting the Q2 2022 sale of the Company's DXP and Activation assets Revenue guidance adjusted from \$260.0 to \$270.0
Adjusted EBITDA	\$48	\$55	<ul style="list-style-type: none"> FX impact on revenue has been approximately \$3.9 million year-to-date Adjusted EBITDA maintained after adjusting from \$45 to \$55 in Q2 2022

- › We expect to maintain double-digit momentum in Global Cloud Subscriber growth
- › Focused investments and continued cost actions to drive further profitability and free cash flow
- › Projecting Adjusted Free Cash Flow to be positive in 2022

Our strategy will help our customers

grow, inspire, and build loyalty with their subscriber base



Drive Revenue

Grow revenue through enhanced services like unlimited storage, digital ad revenue, and third-party services

Reduce Cost

Software that **improves time to market and operational efficiencies** across channels.

Inspire Subscribers

Connect subscribers with **people, content, services, and brands they love**

Build Brand Loyalty

Create new brand and content experiences that **keep subscribers engaged with your services**



Thank You

Appendix



Reconciliation of GAAP to non-GAAP Financial Measures

– Financial Measures (\$000s, unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net revenues	\$ 59,896	\$ 69,753	\$ 190,998	\$ 206,784
Costs and expenses:				
Cost of revenues ¹	22,440	27,245	69,595	83,024
Research and development	12,911	15,368	42,162	49,962
Selling, general and administrative	15,338	27,953	48,523	67,790
Restructuring charges	201	1,485	1,905	3,075
Depreciation and amortization	7,726	8,215	24,019	26,567
Total costs and expenses	58,616	80,266	186,204	230,418
Income (loss) from operations	1,280	(10,513)	4,794	(23,634)
Interest income	20	24	230	54
Interest expense	(3,463)	(2,933)	(10,131)	(3,172)
(Loss) gain on divestiture	(73)	—	2,549	—
Other income (expense), net	4,437	(1,669)	10,206	(3,489)
Income (loss) from operations, before taxes	2,201	(15,091)	7,648	(30,241)
(Provision) benefit for income taxes	(1,115)	6,982	(1,678)	7,346
Net income (loss)	1,086	(8,109)	5,970	(22,895)
Net (loss) income attributable to redeemable noncontrolling interests	(66)	—	(256)	286
Preferred stock dividend	(2,298)	(1,722)	(7,255)	(33,728)
Net loss attributable to Synchronoss	\$ (1,278)	\$ (9,831)	\$ (1,541)	\$ (56,337)
Earnings (loss) per share:				
Basic	\$ (0.01)	\$ (0.11)	\$ (0.02)	\$ (0.98)
Diluted	\$ (0.01)	\$ (0.11)	\$ (0.02)	\$ (0.98)
Weighted-average common shares outstanding:				
Basic	86,400	85,646	86,156	57,662
Diluted	86,400	85,646	86,156	57,662

¹ Cost of revenues excludes depreciation and amortization which are shown separately.

Reconciliation of GAAP to non-GAAP Financial Measures

— Adjusted EBITDA (\$000s, unaudited)

	Three Months Ended					Nine Months Ended	
	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021	Sep 30, 2022	Sep 30, 2021
Net income (loss) attributable to Synchronoss	\$ (1,278)	\$ 5,327	\$ (5,590)	\$ (2,114)	\$ (9,831)	\$ (1,541)	\$ (56,337)
Add / (Less):							
Stock-based compensation expense	1,801	964	1,927	1,950	2,289	4,692	7,355
Restructuring, transition and cease-use lease expense	557	1,381	2,011	2,286	2,981	3,949	7,956
Litigation, remediation and refiling costs, net	88	(1,292)	977	(30)	9,316	(227)	12,858
Depreciation and amortization	7,726	8,259	8,034	9,498	8,215	24,019	26,567
Interest income	(20)	(118)	(92)	15	(24)	(230)	(54)
Interest expense	3,463	3,343	3,325	3,248	2,933	10,131	3,172
Loss (gain) on divestiture	73	(2,622)	—	—	—	(2,549)	—
Other (income) expense, net	(4,437)	(4,065)	(1,704)	1,388	1,669	(10,206)	3,489
Provision (benefit) for income taxes	1,115	435	128	169	(6,982)	1,678	(7,346)
Net loss (income) attributable to noncontrolling interests	66	75	115	130	—	256	(286)
Preferred dividend ¹	2,298	2,519	2,438	1,781	1,722	7,255	33,728
Adjusted EBITDA (non-GAAP)	<u>\$ 11,452</u>	<u>\$ 14,206</u>	<u>\$ 11,569</u>	<u>\$ 18,321</u>	<u>\$ 12,288</u>	<u>\$ 37,227</u>	<u>\$ 31,102</u>

¹ Includes \$10.4 million preferred stock amortization costs accelerated due to Series A Preferred stock redemption in the second quarter of 2021.

References

Stax interviews, web survey, and analysis, May-June 2022, Appendix ##

a. Survey question was phrased as: “On a scale from 1-7, where 1 is “not at all likely” and 7 is “extremely likely”, how likely are you to shift some of your messages **from chat apps** (e.g., *WhatsApp, Telegram, and Facebook Messenger*) to **SMS texts** (pre-installed message app on your phone, including *iMessage for Apple users and Google Messages on many Android phones*), if **SMS texts** were to provide functionalities that are **on par with chat apps** (e.g., voice message, graphics/GIF, group chat, location sharing)?”

